

Jorge Borges de Macedo: Problems of the History of Portuguese Economic and Political Thought in the Eighteenth-Century¹

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Methodological framework

The title of this paper is an adaptation of the title of one of Jorge Borges de Macedo's best-known works (1963a). It has been deliberately chosen to highlight as explicitly and unequivocally as possible the direction that I wish to follow here: to present paths and problems that are relevant for the study of Portuguese economic and political thought in the eighteenth century in the light of Borges de Macedo's reflections upon the subject.

In one of his best-known and most influential essays on historical problematization, Borges de Macedo offers a global framework for interpretation that I believe to be particularly rich and opportune for research on the history of ideas:

What is of interest to us is to place men in their own immediate social environment, to describe them in their field of action, not in an abstract way, but concretely defined in terms of their stimuli, needs, requirements and possibilities. So, we need to define the particular problems faced by the Portuguese society of that time and to check whether or not the national community was capable of finding a suitable solution for them all. (Macedo 1966, 122-23)

According to Borges de Macedo, if an object of study is to acquire pertinence and meaning, it needs to be duly adapted and contextualized by the national historical reality that suggested and aroused its study. In his own words:

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Portuguese culture uses those results from European culture that are really of interest to it, seeking to understand them, develop them and apply them to national problems. (*ibid*, 132)

These were the research guidelines that, with just a few differences and nuances, were to remain a constant feature of all of his subsequent essay production. In another text that is equally rich in analytical suggestions and has had a major impact on Portuguese historiography (Macedo 1974), Borges de Macedo again displays the same concern with analyzing national problems that do not allow for the indiscriminate application of recipes defined in accordance with other historical and geographical horizons. Instead, in order to be understood, they require a comparative approach.

That same approach contains two fundamental messages or meanings that need to be borne in mind: first of all, it provides a safe and historically grounded challenge to the view of Portugal as a moribund and decadent nation, incapable of producing an elite of thinkers or men of action that measured up to the responsibilities of an adult nation with some international standing. Or, in other words, a criticism of the pessimistic views that have been nurtured about the decadence of Portugal's historical development. Second, the approach is based on the affirmation of a cultural and intellectual history that, in analyzing the processes adopted for the dissemination and spread of ideas, devotes special attention to the national contexts of their assimilation, adaptation and appropriation.

I believe that these two aspects may be regarded as indispensable pillars for understanding the dynamics of economic ideas throughout the eighteenth century in Portugal.

The construction of the modern economic historiography of the eighteenth century

Jorge Borges de Macedo's vast work as a historian prevents us from isolating just one century as the central theme or object of his research. There do, however, appear to be some grounds for considering the eighteenth century to occupy an essential place in his work.

In fact, the eighteenth century was to be the focus of his initial and pioneering research about the economic situation in the time of the Marquis of Pombal (Macedo 1951) or about the history of industry in the reigns of Dom João V and Dom José (Macedo 1963b). The analysis that he made of previously unpublished sources that had remained

largely ignored or underexplored until then (particularly the documentation about the Board of Trade [*Junta do Comércio*] and about the commercial activity taking place at the ports) enabled Borges de Macedo to construct a new interpretation about the pace of Portuguese industrialization in the eighteenth century and about the driving forces and constraints upon the growth of industry in that period. We can unreservedly consider that these texts laid the foundations of our modern knowledge about Portuguese economic history of that period.

His works also dealt with two milestones that marked the history of the eighteenth century: the Treaty of Methuen, signed in 1703 between Portugal and Great Britain, about which he wrote at two distinct moments (Macedo 1966b and Macedo 1989), and the political and diplomatic situation from the beginning of the nineteenth century, associated with the Portuguese participation in the Napoleonic wars due to the non-acceptance of the Continental Blockade (Macedo 1962).

His approach to these subjects was to be taken further and more completely contextualized in the work that he dedicated to the study of the guiding principles and main thrust of Portuguese diplomacy (Macedo 1987), in which one is struck by his concern with demonstrating that the strategic options and decisions of Portuguese economic policy always coincided with wider-reaching political and diplomatic decisions in which Portugal's own destiny as a sovereign and independent nation was at stake. Consequently, the trade agreements signed in 1703 and the 1810 Trade Treaties clearly show how the eighteenth century was marked by external events that were to map out a quite distinct route for the development of the Portuguese economy.

As he wended his way through the Portuguese economy of the eighteenth century, Borges de Macedo naturally could not fail to become interested in the economic and financial thought of that period. The richest part of that work was perhaps the analysis that he made of textual sources in his dissertation on the history of industry (Macedo 1963a). In fact, the emphasis that he gave to the study of the *Memórias Económicas* of the Lisbon Academy of Sciences, as well as to the works of José Acúrsio das Neves or Joaquim José Rodrigues de Brito, is quite remarkable. He was interested in them not only because of the descriptive testimonies they provided of the state of the Portuguese economy in the second half of the eighteenth century, but above all as the protagonists of a considered and strategic reflection upon the paths and opportunities that were being offered at that time for the country's economic development.

His other more monographic texts include the study that he made of Cardeal da Mota's economic thought and the general guidelines of economic policy in the reign of Dom João V (Macedo 1960), as well as the text that he wrote summarizing the different types of mercantilism in Portugal, with special attention being paid to its belated repercussions throughout the eighteenth century (Macedo 1966a). Finally, mention should also be made of the pioneering attention that he paid to the statesmanlike figure of Dom Rodrigo de Sousa Coutinho and his plans for financial restructuring at the end of the eighteenth century, clearly demonstrated in his study of the origins of Portuguese banking (Macedo 1963b).

In all of these digressions, one can detect a thread that runs through all of Borges de Macedo's historical thinking, namely his explanation of the crucial role played by ideas in the construction and fulfillment of our collective future.

Elements for the history of Portuguese economic thought in the eighteenth century

The works that I have just mentioned offer a variety of readings about Portuguese economic and political thought in the eighteenth century, always seen from the perspective of the innovative application of principles that can be used for interpreting economic and social reality, while at the same time helping to define strategies and policies with a view to their reform and/or development.

Without exhausting or forestalling the development of any other categorizations that might help us to understand the essential features of the economic doctrines and policies that prevailed in Portugal throughout the eighteenth century, I believe it is pertinent to suggest three central ways of organizing economic discourse in this period, deliberately taking as our starting point the reflections provided by Jorge Borges de Macedo in his essays.

The first of these ways relates to the definition of ***economic policies without a system, but with a direction***. Such a view applies specifically to the study of mercantilism which, for Borges de Macedo, "is not a systematic theory, but rather a series of useful items of knowledge that do not form a chain leading to a systematic interpretive coordination of the whole economic reality" (Macedo 1966a). He therefore sought to identify and highlight a variety of influences and a range of strategic options converging in such a way as to fulfill an objective or a central purpose that, in short, consisted of strengthening the State's economic performance.

Mercantilist economic policies resulted from practices that did not express a coherent program of action. In some cases, they chose to defend gold as a strong currency and the circulation of money as a central instrument for promoting economic activity. In eighteenth-century Portugal, this was the prevailing direction to be noted, for example, in the writings of Alexandre de Gusmão and the opinions that he expressed. In other cases, such policies highlighted manufacturing protectionism as a privileged instrument for establishing equilibrium in the balance of trade and increasing the State's wealth, countering the inconveniences of conspicuous consumption and favoring the approval of pragmatic laws against luxury and against imports of foreign manufactured products. The writings of Dom Luís da Cunha and Cardeal da Mota, for example, clearly illustrate this economic perspective. In yet other cases, mercantilist policies considered it essential to establish procedures for institutional reform, to ensure equilibrium between the various economic and social agents, to concede rents resulting from the award of privileges, or to form monopoly companies that enjoyed exclusivity in terms of either trade or production. The policies and governance of the Marquis of Pombal provide us with countless examples of this particular aspect of the mercantilist economic literature.

The second path that I consider faithfully portrays another dimension of Portuguese economic discourse in the last quarter of the eighteenth century may be expressed in the following phrase: *getting to know the kingdom better in order to change it*. And, once again, in Borges de Macedo's work, we rediscover the perspicacious attention that he paid to a remarkable group of authors who either acted independently or under the institutional auspices of the Lisbon Academy of Sciences and other learned institutions of the governments of Dona Maria I and the Prince Regent Dom João. As Borges de Macedo so clearly summarized the situation:

The end of the 18th century was overcome by a genuine anxiety for analysis and creativity that led to the formation of the richest, most varied and most fertile Portuguese technological bibliography, with the appearance of books ranging from the debate about metropolitan and overseas agrarian problems to studies of accountancy, mechanics, ballistics and medicine. The problems were studied from a practical point of view and were clearly adapted to the national realities (Macedo 1966, 131-32).

Such “anxiety for analysis and creativity” resulted in the definition of a strategy to make the fullest possible use of available natural and human resources, which in turn presupposed the undertaking of a stringent diagnosis of both the favorable conditions and the limits that were imposed on economic activity. Science and technology, together with the knowledge of the natural and social world, were instruments placed at the service of economic development processes. But it was also important to understand that, if human activity were to be effective in the economic field, then agents had to be free to act as they wished and principles and measures were called for that favored the extension and enhancement of mercantile relations.

Finally, a third idea/principle that summarizes the emblematic expressions of Portuguese economic thought in the eighteenth century can be conveyed in the following way: *managing the economic conjuncture in order to develop the country*. Jorge Borges de Macedo’s works also tell us about the pragmatism resulting both from an external political alignment that imposed negotiated trajectories and from an attitude of cautious prudence resulting from internal financial difficulties. The example and testimony provided by Dom Rodrigo de Sousa Coutinho’s activity between 1796 and 1803, in the exercise of his governmental responsibilities, as well as in the programmatic texts that he bequeathed to us, merit a special mention. In fact, this explanatory context enables us to understand the extent of economic and financial reforms and changes designed to guarantee the indispensable political and institutional stability. Correction of the mistakes caused by the uncontrolled issue of paper money, plans for the creation of a banking institution, financial restructuring programs and reforms of the colonial administration were some of the subjects to which Dom Rodrigo de Sousa Coutinho devoted the full attention of his public mission. The sense of proportion and priority, which is the hallmark of the great statesmen, was demonstrated by him in that particular international conjuncture in which Portugal’s fate was at stake and which it was important to manage without jeopardizing the country’s future.

Concluding remark

The historiographic renewal effected by Jorge Borges de Macedo (evoked here through the studies that he specifically dedicated to the Portuguese economy in the eighteenth century) produced a series of teachings that still endure today. His invaluable legacy has been continued, renewed and criticized.

In this brief attempt to evoke his memory, I have sought to clarify to what extent Borges de Macedo's studies demonstrated the impossibility of an abstract history of economic, social and political ideas, as well as the irrelevance of a history that does not take into consideration the factors, conditions, instruments and concrete processes of assimilating and making use of such ideas. It can therefore be concluded that the history of Portuguese economic and political thought in the eighteenth century is a field of research that is ideally suited to the critical application and renewal of the teachings inspired by the work of Jorge Borges de Macedo.

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